

Core Proposal for a Sustainable Food and Agriculture Policy Collaboration

W. K. Kellogg Foundation

Food and Society Initiative

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OVERVIEW:

American Farmland Trust, the Community Food Security Coalition, Environmental Defense, the Northeast-Midwest Institute, and the Sustainable Agriculture Coalition respectfully request five grants to pursue crosscutting policy development and advocacy work aimed at building a more sustainable food and agriculture system.

Our organizations are committed to food and farm policy reforms that enhance the economic viability of farms, ranches and rural communities, reward environmental stewardship, and combat hunger by increasing access to healthy food. For too long, America's food and farm policy has failed small and medium-sized farmers and ranchers, undermined rural communities, discouraged healthy food choices, encouraged the needless conversion of wetlands and grasslands to row crops, and failed to reward stewardship and entrepreneurship.

Trade disputes, the ongoing loss of productive farmland, soaring demand for healthy food, budget deficits, growing environmental challenges, and discontent with US farm policy at home and abroad create a rare window for food and farm policy reform. To seize this opportunity, we have developed four targeted policy initiatives: 1) the expansion of new agricultural markets and rural entrepreneurship; 2) greater access to healthy food, including expansion of community-based food systems; 3) expansion and reform of stewardship incentives; and 4) reform of programs that directly affect the structure of agriculture to increase farming opportunities and improve the viability of small and moderate-sized farms and ranches.

THEORY OF CHANGE

The current political climate presents unique opportunities for advancing significant reforms to farm and food policy. The rising federal deficit and the increasing threat of trade sanctions are forcing U.S. lawmakers to look seriously at reforms needed to make our system of agricultural subsidies less costly and truly compliant with WTO rules. Burgeoning consumer demand for organic, sustainable, local and regional, and value-added agricultural products speaks loudly to the need to reorient current research, conservation, marketing, risk management, and rural development policies toward these newer, high-growth sectors of agriculture. Growing public awareness of the impact of polluted run-off from farm fields and livestock operations as well as increased public demand for wildlife habitat and open space argue for expanded and more effective conservation incentives for our farmers and ranchers. Mounting evidence about the increased risks and costs associated with unhealthy and inadequate diets point to the need

for food and farm policies that increase support for food and nutrition programs, encourage healthier food choices, and actively support—or at least are not at cross-purposes with—the nation’s increasingly health-conscious nutritional guidelines.

While we share this big picture understanding, we also recognize the need for a focused and strategic approach to effecting policy change. To move from our current reality to a future that embodies our vision of a more just and sustainable farm and food system, the challenge is to identify the discrete policy levers that not only address key problems directly but that we anticipate, by virtue of being focused on critical tipping points within the system, can have more far-reaching, transformative effects. These policy options must be realistically assessed in terms of practical viability: namely, their ability to garner the bases of political support necessary to enact and implement them.

The organizations submitting this proposal all have a long history of successfully engaging broad coalitions in order to bring about federal policy change. They subscribe to a pragmatic, iterative, and full-cycle view of policy change that gives equal weight to vision and to sustained follow-through. As such, these organizations have been instrumental to the creation, through legislation and administrative action, of many innovative USDA policies, programs, and pilots. They have shaped how these policies and programs have implemented through the regulatory process and on the ground, through projects funded through them. They have been involved in the evaluation and assessment of these projects and the broader programs. And, when and where warranted, they have worked to reform or to transform them into larger and more permanent policies and programs. The Conservation Security Program in the 2002 Farm Bill and Farm-to-Cafeteria in the 2004 Child Nutrition Reauthorization are just two examples of policies that have been nurtured over time, that obtained broad multi-sector support across the country, and that were delivered with bipartisan sponsorship in Congress.

It is clear to us that we need an integrated approach to policy analysis, development, and advocacy in order to undertake these tasks. Our collaborative project is underpinned by the substantial bodies of policy expertise, political experience, and progressive values embodied in our respective organizations and coalitions. We believe that this collaboration can be effective in bringing about change through attention to three critical factors: 1) developing powerful, leading ideas that have a broad base of support; 2) packaging and selling of these ideas through a broader communications campaign aimed at reframing the terms of Farm Bill debate; and 3) building of these ideas into concrete legislative and administrative reform packages that can be championed by key law- and policy-makers.

This work will require a tight coordination of our efforts. To that end and through our intensive conversations and deliberations over the last several months, the partners to this proposal have developed both a core set of policy targets around which we will organize our activities and a governance and accountability structure through which we will manage them.

POLICY TARGETS:

We envision the creation of four, interlocking policy initiatives that the grantees, our subcontractors, and many other organizations and leaders will jointly develop and advocate. To coordinate these efforts, we propose to create a Coordinating Council of grantees and other leaders, administered by the Northeast-Midwest Institute and facilitated by the Consensus Building Institute. We further propose to create several teams of grantees and other leaders to develop and analyze policy reforms, to develop and execute legislative and communications strategies, and to evaluate the success of our collaborative efforts.

To succeed, we must engage a broad, diverse alliance of local, regional and national leaders representing farm, conservation, anti-hunger, nutrition, international development, religious, minority, labor, public health, consumer, energy, and rural development interests. We have already engaged many of these current and potential allies, both nationally and regionally, and many others have signaled their desire to work with us. While we envision that Kellogg grantees will serve as the anchors of this diverse policy reform alliance, we also believe that other local and regional groups and other national leaders and organizations will play a central role in the development and execution of all facets of this effort.

We propose by early 2006 to advance four policy blueprints related to market development, access to healthy food, expansion and reform of stewardship incentives, and reform of farm safety net programs.

Initiative 1: New Agricultural Markets – For small- to mid-sized farms and ranches to take advantage of surging consumer demand for organic, local and regional, and environmentally sustainable products, there is a need to support entrepreneurial agriculture and to rebuild the alternative marketing, processing, labeling, inspection, and distribution infrastructures that will support these dynamic trends in the food system. *We propose to jointly develop policies that increase incentives for entrepreneurial innovation, enhance alternative food processing and distribution systems, and expand community-based food systems and markets.*

Initiative 2: Healthy Foods and Communities – There is mounting public concern about hunger, obesity, and challenges of implementing new nutritional guidelines. The successes of Community Food Projects, Farm-to-Cafeteria, and Farmers Market Nutrition programs in building urban-rural bridges, strengthening local farms, and improving access to affordable and healthy foods point to significant opportunities for “scaling up” in the next Farm Bill. *We propose to jointly develop policies that expand access of low-income consumers to healthy foods by integrating local and regional agriculture more closely with community food and nutrition assistance efforts.*

Initiative 3: Farm and Ranch Stewardship – Most farmers would prefer to be good stewards of the land, but federal policies continue to undermine or fail to

reward those seeking to adopt sustainable systems to improve environmental performance. *We propose to jointly develop policies that increase stewardship on farms and ranches by emphasizing the adoption of sustainable systems, rewarding increased levels of environmental performance, targeting priority protection and restoration areas, streamlining and consolidating programs, linking conservation and economic development, and fostering innovation and partnerships.*

Initiative 4: Family Farm Revitalization– The current array of credit, commodity, crop insurance, conservation, marketing order, research, extension, and other farm-related programs fail to adequately promote sustainable, family farm-based agriculture and in very substantial ways subsidize its demise. *We propose to jointly develop farm revitalization policies that expand the number and diversity of sustainable farms and ranches, increase farming opportunities, and provide equitable farm support consistent with the diversity of American agriculture and our international obligations.*

Following the collaborative development and analysis of our policy reforms and the release of our policy blueprints, we believe that a diverse set of lawmakers will champion different elements of our legislative proposals in the annual budget and appropriations process and in the law-making process leading to the 2007 Farm Bill. The reforms we seek will have broad political appeal: the vast majority farmers and ranchers are anxious to develop new markets and value-added farm products and to help meet the nation's environmental challenges; low-income and minority consumers and their advocates are anxious to improve access to affordable, healthy food; a broad spectrum of leaders support policy reforms that encourage entrepreneurship and economic innovation, rather than overdependence on federal commodity support, and that reduce the threat of retaliatory tariffs; religious interests support reforms that address the causes of global poverty, encourage stewardship, and help enhance the viability of small and medium-sized farmers; labor interests support reforms that help address the safety of farm workers, including incentives to use pesticides with greater care.

Because of widespread support for the reforms we seek, we predict that lawmakers will demonstrate – in the appropriations process, through the introduction of bills, in hearings and editorials – strong bipartisan support for farm and food policy reforms that help small- and medium-sized farmers, help the environment, and improve access to healthy food. Outreach and targeted media to key states and districts will be a critical component of this campaign throughout the proposed grant period. By generating support in multiple sectors of farming and ranching, across states and regions, and among rural and urban constituencies, we believe that our proposed policy reforms will create a strong public voice within the farm community and general public that can counter-balance the power of the agribusiness and the commodity farm lobby. Ultimately, we envision that Congressional leaders will enact the reforms we seek in the 2007 Farm Bill.

CULTIVATING NEW AGRICULTURAL MARKETS AND RURAL ENTREPRENEURSHIP

DISCUSSION PAPER FOR FFPP NEW MARKETS WORK GROUP
November 9, 2005

New Markets Overview

The rapidly changing market landscape of agriculture and the food system presents American farmers and ranchers with many opportunities and challenges. Powerful new trends in consumer demand, structural changes in the farm sector, information and farm technologies, shifts in production practices, population changes and development pressures, and innovative new business models across the supply chain have all contributed to the creation of new markets for agricultural products.

Across the country, many farmers, ranchers, and rural entrepreneurs have been quick to respond to these new market opportunities. Entry into these markets have increased the profitability of many farms and ranches and expanded business ownership by many new and beginning farmers and ranchers. To date, however, their efforts and those of the broader set of family farmers, rural entrepreneurs, and food-related businesses have been only spottily supported by federal agricultural, nutrition, and rural development policy. New models, both in government policy as well as in the private sector, are needed to develop these new markets and increase the profitability of farm and rural enterprises.

Current policies have encouraged specific production systems, business types, and supply chain structures that leave many farmers, ranchers, and rural communities at a competitive disadvantage. Over the past fifty years, there has been a steady decline in the number of diversified farm operations and the processing, distribution, and marketing infrastructure that supports local and regional food systems. The resurgence of demand for local, fresh, and sustainably produced food and the emergence of larger-scale regional markets point to a mismatch between current federal policy priorities and actual market trends.

There are several reasons for this relative lack of support. The traditional “stove-piping” of federal agencies and programs has frustrated the development of broader, more systematic strategies for agricultural market and rural business development. Both between agencies within USDA and between departments including USDA, Commerce, HUD, HHS, SBA and others, there is insufficient coordination and partnering, especially around agricultural, rural, and food related enterprise development. In a related vein, the successful models of community-based enterprise development that have been advanced by other agencies have not been used as a basis for developing analogous programs within USDA that serve agricultural and rural communities.

Existing market development and promotion programs at the Agricultural Marketing Service (AMS) and other USDA agencies were built to serve traditional commodity producers and have paid little heed to these new market trends. Likewise, much of policy and research has been focused on securing the greatest share of the agricultural export market, undeserving many of the iconic family farmers that Americans identify with. Increasingly farmers are moving to different production practices, product types and mixes, and market models to reorient their production to expand in domestic markets by reorienting their operations toward *value* per acre instead of *yield* per acre.

Significant federal resources should be redirected to serve the marketing and business development needs of producers tapping into these new markets. Farmers will need new tools and skills that allow them to tap into the emerging and future trends in markets—tools that are cross-cutting across product type and practice—in an environment of increased competition and, potentially, decreasing traditional farm income support programs. Now more than ever, we need a new generation of cost-effective programs that support innovation and market development for the agricultural and rural business sectors.

New Market Trends

Some major emerging trends can be identified. The list below, while by no means comprehensive, illustrates some of these trends and provides a starting point for defining the scope of the New Agricultural Markets initiative.

A. Purchaser-Driven Trends

- Growth in organic, sustainable, and local/regional purchases; increasing importance to consumers of taste, freshness, and “local.”
- Increases in fresh fruit and vegetable purchases.
- Increasing public awareness of and concern about production practices in both row crop and livestock agriculture.
- Demand for traceability and identity-preserving supply chains (from producers through processors, distributors, wholesalers and retailers).
- Increasingly sophisticated use of labels and certification as marketing tools.
- Emergence of higher-value restaurant sector that purchases small, custom batches of products.
- Emergence of higher-volume institutional sector (schools, universities, hospitals) that purchases local and regional agricultural products in larger quantities.
- Growth of direct markets, indicated by the increase of farmers’ markets nationwide and increasing sales/profits associated with the entire direct marketing sector (farmers’ markets, farm stands, etc.).
- Growth in supermarket sales of organic, local/regional, and sustainably produced goods.

- Increasingly sophisticated procurement systems and supply chains (facilitated by information technologies, processing-packing-storing technologies, distributed transportation systems, etc.)

B. Producer-Driven Trends

- Growth and diversification of specialty crop production.
- Shifts in markets for commodity agricultural producers: examples include product differentiation and identity preservation in commodity crops (e.g., corn, soy, wheat); traditional commodity (corn, soy) and new crops (e.g. switch grass, Bermuda grass) as feedstocks for biofuels or bio-based manufacturing.
- Changes in practices by farms that cannot compete through scale economies: Shifts to innovative practices which lower production costs and methods that allow products to be sold in higher-value markets.
- Diversification, specialization, and revival of non-commodity “heirloom” products as smaller farms try to control more of the value-adding processes and retail supply chain, and produce for specialized markets.
- Re-development of small-scale networks, cooperatives, and NGOs to support technical skill development, marketing, processing, and distribution for small and specialized farmers.
- Increases in and diversification of direct marketing.
- Marketing of environmental and cultural assets of farms and ranches via hunting and fishing leases, agri-tourism, etc.
- Growth in small farms: beginning, immigrant/refugee, second-career farmers.
- Emergence of regional-scale supply chains that utilize larger, more differentiated products (cf. Ag of the Middle research).

Overview of New Market Policy Areas

The policy tools and resources requested by farmers, ranchers, rural and food systems entrepreneurs and advocates fall into a number of broad categories:

I. Farm- and Ranch-Level Entrepreneurship

- a. Farm and ranch business development
 - i. Technical assistance (e.g., extension services, links to economic development authorities and resources, Agriculture Innovation Centers)
 - ii. Financial assistance for:
 1. Feasibility studies
 2. Business plan development
 - iii. Programs to address specific needs of beginning and limited resource farmers and ranchers
- b. Market Diversification and Transition

- i. General issues
 - 1. Technical assistance to support transition (extension)
 - 2. Risk management (*see below*)
 - 3. Research issues (*see below*)
 - ii. Specific issues
 - 1. Specialty Crops
 - a. Nutrition assistance programs
 - b. Conservation program support
 - c. State block grants
 - 2. Organic
 - a. Organic Certification Cost Share Program
 - b. Conservation program support (EQIP, CSP, AMA, etc.)
 - 3. Energy
 - a. On-farm energy development
 - b. Energy feedstock (traditional and alternative)
 - 4. Biomass
 - a. Biomass R&D, product development
 - 5. Other (e.g., agri-tourism)
- c. Marketing Assistance
 - i. Direct marketing (e.g., FMPP)
 - ii. Specialty crops and niche marketing
 - iii. Other marketing assistance

II. Cooperative and Partnership Development

- a. Support cooperative development broadly to include formal and informal marketing alliances, associations, LLPs, etc.
 - i. Rural Cooperative Development Grants
 - ii. Value-Added Producer Grants
 - iii. Etc.
- b. Capitalization; loan and credit issues

III. Rural Business and Community Development (*note: rural business and entrepreneurship issues are cross-cutting through policy areas*)

- a. Entrepreneurial training and assistance – business planning, grant writing
- b. Support for organizational innovations
 - i. cooperative development
 - ii. marketing alliances
- c. Resource provisioning
 - i. Grants
 - ii. Incentives, including tax breaks
 - iii. Access to credit; micro-loans
- d. Research and information (*see also Research, below*)

- i. Fund ATTRA and research programs, like SARE, that serve small and mid-size entrepreneurs

IV. Local and Regional Infrastructure – Supply Chain Development

- a. Block grants to states to support innovation
 - i. Market promotion and development activities
- b. Value-Added Producer Grants
- c. Agriculture Innovation Centers (cf. CFRA “Farmer Innovation Fund” concept)
- d. Farmers’ markets and other public markets (FMPP, etc.)
 - i. Promotion
 - ii. Infrastructure
 - iii. Liability insurance
- e. Facilitation of “value chain” partnership development (Ag of the Middle)
- f. Public-private infrastructure development
 - i. Processing infrastructure
 - 1. Grant and loan programs for new small- to medium-scale processing facilities, including mobile slaughter facilities, commercial kitchens, etc.
 - ii. Public-private warehousing, distribution and transportation systems;
 - iii. Regional infrastructure development authority (w/ bonding authority, other means to raise capital; modeled on economic development authorities for urban areas)
- g. Expansion of broadband Internet access programs

V. Procurement Policy and Subsidized Markets

- a. Federal government procurement policy
 - i. Local purchasing
 - ii. Section 32 (?)
 - iii. Biomass (Sec 9003)
- b. Planning support for public and private institutions sourcing local/regional agricultural products (farm-to-cafeteria)
- c. Farmers’ Market Nutrition Programs (WIC and Seniors)
- d. Food Stamp program – EBTs, other programmatic issues (?)
- e. Fruit and vegetable pilot programs – local/regional procurement issues
- f. DOD Fresh authorization

VI. Licensing, Standards, and Product Identification

- a. Scale-appropriate regulation
 - i. Reciprocity of meat inspection across state lines
 - ii. Technical assistance in meeting regulatory requirements - cost-share program for processors to facilitate movement from state to federal inspection standards

- b. Organic standards
- c. Other standards (grassfed, etc.)
- d. COOL
- e. Appropriate federal support for other stringent, non-federal certification processes (e.g., Food Alliance)

VII. Research

- a. Publicly funded research that yields technologies usable and accessible to operators of small & mid-size farms
 - i. Plant (seeds) and animal breeding
 - ii. Organic practices
- b. Market research related to emerging markets (organic, farmers' markets, ethnic and other niche markets, health-related, nutrition program-related, biomass, etc.)
- c. Specialty crop research
- d. Research on trends in rural communities

Political Considerations

Policy discussions and political debates leading up to the 2007 Farm Bill will almost certainly focus centrally on opportunities for expanding markets. Sluggish growth in agricultural exports and continued strong demand for agricultural imports resulted in a net trade deficit in early 2005. These trends will likely prompt lawmakers to re-examine both export promotion policies as well as policies that improve the competitiveness of domestic products in US markets. New markets of interest to policy makers will run the gamut from specialty, energy, biomass, and GMO crops to the rapidly expanding “niche” markets for organic, sustainable, local/regional, humane, and more nutritionally sound foods.

A deepening fiscal crisis will put pressure on lawmakers to reduce or cap government spending. Budget constraints as well as continuing pressure from the World Trade Organization (WTO) to reform domestic subsidy programs will lead to increased scrutiny of the commodity title and prompt examination of less costly “market-based” policy solutions. Many lawmakers will be attracted to initiatives that recommend modest, short-term investments that promise long-term self-sufficiency and market-derived increases in farm income.

New markets initiatives will draw strength from the increased coverage of non-commodity agriculture by food and health reporters, an increasingly important force shaping the opinions of urban and suburban consumers about agriculture. Also important will be continued media attention to health- and nutrition-related issues including obesity and child wellness.

Policy initiatives centered on developing new markets for agricultural and rural entrepreneurs have the potential to create broad and powerful new political alliances. State and national specialty crop associations have indicated clearly that they will be seeking increased support for marketing, conservation, and research programs through the 2007 Farm Bill. Many specialty crop producers are concentrated in states that do not traditionally benefit from commodity programs. As Mike Stuart, President of the Florida Fruit and Vegetable Association stated recently, "At least 25 percent of Congress comes from states that have a significant amount of specialty crop production, so if we can get them organized, it presents us with some political clout we haven't enjoyed thus far.

State departments of agriculture have signaled their strong interest in block grant programs that would support state-level marketing assistance and market promotion and research programs. They argue that block grants are a better tool for addressing the marketing needs of producers from different regions of the country than federally administered programs.

Nutrition and health organizations have pointed to recommendations in USDA's new dietary guidelines and in an April 2005 Institute of Medicine study for Americans to increase their consumption of the fruits and vegetables. They have pointed to opportunities to create expanded incentives for the consumption of nutritionally valuable foods across the range of federal nutrition assistance programs, from Food Stamps to school lunch, breakfast and after-school programs to the Farmers' Market Nutrition Programs.

Many other farm, rural, consumer, economic development, renewable energy, environmental, and other groups recognize that new markets will be a critical component of the reauthorization debates on the 2007 Farm Bill. Over the next six months, there is a critical need and an excellent opportunity to work across sectors to build a solid platform of policy recommendations related to expanding and diversifying markets and promoting entrepreneurship in agriculture, rural businesses, and food-related enterprises.

Starter List of Policy priorities for Healthy Foods and Communities Initiative (title of policy blueprint planned for March 2006)

Protect existing federal food-assistance programs

- Protect entitlement status of Food Stamps
- Prevent block granting of nutrition programs

Expand or enhance federal food-assistance programs

- Increase number of eligible people who receive benefits
- Extend eligibility to jobless adults, immigrants, felons, others
- Improve adequacy of benefits and allow freedom of choice with Food Stamp purchases
- Simplify Food Stamps' customer service
- Expand EFNEP

Expand existing community-food programs (How broadly, particularly for institutional sourcing?)

- Protect and expand programs that CFSC has been involved in developing (e.g., CFPCGP, FMNP, seed grants for Farm-to-Cafeteria)
- Expand use of EBT at farmstands and farmers' markets
- Allocate existing programs supporting community based agriculture and food security measures in urban and regional planning by local authorities
- Change laws that prevent food service from using local foods or prescribe lowest-cost regardless of source
- Expand institutional sourcing to all sites that receive government funds
- Provide more healthy local food to emergency providers in usable forms

Create new community food programs, especially ones that integrate CFS and anti-hunger efforts

- Require percentage of Dept. of Defense Fresh to be local; set up Free Fruit & Vegetable Pilot from DoD
- Support funding for local and regional food handling that addresses in common both emergency and non-emergency food systems

Protect and expand programs that serve family farmers, immigrant farmers and people of color

- Increase funds into Value-Added Programs

- Increase equity of access to government services for people of color
- Improve farmers' market access and marketing technical assistance for immigrant farmers
- Improve and extend 2501 program
- Improve and extend RMA Outreach

Food reserves and food system infrastructure

- Allocation federal funds to community food councils and networks to plan for food reserves and local infrastructure for handling and storing food for both non-emergency and emergency uses.

Other issues related to health (beyond increased access to fresh fruits & vegetables through farm-to-cafeteria or other institutional sourcing, and emergency food assistance programs)

- Better protection of farmworkers and their families from exposure to pesticides
- Decent wages and working conditions for waged workers in agriculture
- Funding for public health research on impacts of community food security strategies

FOOD AND FARM POLICY PROJECT FARM AND RANCH STEWARDSHIP WORKGROUP

POLICY BLUEPRINT—UPDATE AND PROPOSED APPROACH

Update

Sara Hopper (Environmental Defense) and Craig Cox (Soil and Water Conservation Society) were asked to convene the Farm and Ranch Stewardship Workgroup. An email list of about 130 individuals was assembled from lists maintained by Environmental Defense, the Soil and Water Conservation Society, and the Sustainable Agriculture Coalition and circulated to other grantees. Individuals were invited to (1) participate in a teleconference, (2) indicate the level of their interest in participating in the workgroup, and (3) identify the issues they thought should be addressed in the policy blueprint. Two teleconferences have been held as a result of the initial invitation.

Proposed Approach

The teleconferences and subsequent email communications among invitees surfaced a broad range of issues and potential reform options to deal with those issues. We suggest the workgroup move forward by taking the following steps:

1. Identify and flesh out the issues that need to be addressed in the policy blueprint.
2. Identify and evaluate the policy options available to address those issues during reauthorization and/or implementation of farm bill conservation provisions.
3. Inform the discussion of the first two items through assessments of the performance to date of selected conservation programs.

Issue Identification

The teleconferences and other communication to date have identified the following issues that need to be addressed as the policy blueprint is developed. We have clustered the issues into groups that appear to have common elements or themes.

Expand Scope of Conservation Provisions

- *Issue*—Current farm bill conservation programs do not adequately address important concerns and/or portions of the landscape. Such overlooked concerns and land uses include invasive species, forest management, and renewable fuels and energy.
- *Issue*—Funding of conservation programs is inadequate to meet the demand for participation in programs.

Social And Ethical Considerations

- *Issue*—What is the appropriate role for conservation programs to subsidize or ease compliance with environmental regulations?
- *Issue*—The social and economic effects of conservation programs must be considered along with their environmental effects.

Environmental Performance Of Conservation Programs

- *Issue*—Targeting of conservation programs is weak—funding and effort tends to be broadly disbursed rather than focused in areas where the problems and/or opportunities are the greatest.
- *Issue*—Programs should pay for performance rather than for practices.
- *Issue*—Conservation programs should focus on funding projects rather than practices on individual farms or ranches.
- *Issue*—Landscape-level approaches should be emphasized.
- *Issue*—Conservation programs should encourage and reward “cooperative conservation” projects.
- *Issue*—The blueprint should focus as much or more on doing a better job with the funding we have than on increasing funding for conservation programs.

Consolidation and Streamlining of Programs

- *Issue*—The multiplication of programs and stove-piped delivery impairs performance and creates barriers to participation.

Innovation

- *Issue*—Approved practices often do not include more innovative resource conservation and environmental management systems.
- *Issue*—Conservation programs should be designed to spur and reward innovation.

Technical Services and Assistance

- *Issue*—Technical services and assistance is not adequate—impairs targeting, innovation, and effectiveness.
- *Issue*—Research title should be explored for options to advance conservation objectives.

Environmental Implications Of Crop Subsidies

- *Issue*—Crop subsidies (including crop insurance) create incentives to “do the wrong thing” for resource conservation or environmental management.

Trade negotiations

- *Issue*—Trade negotiations could produce opportunities or create barriers to moving toward “green payments” as an alternative to crop subsidies. Need to at least understand implications of trade negotiations for what is proposed for the farm bill.

Policy Options

Workgroup participants will be asked to offer their ideas for policy options to address the issues identified to date and additional issues that will be identified as the workgroup progresses. Participants will be asked to both post documents outlining their policy options on the workgroup web page and to participate in teleconferences to discuss those options. The goal is to leverage work that has been already completed or is in progress to develop and evaluate policy options.

Program Assessments

Environmental Defense and the Soil and Water Conservation Society are proposing to use a portion of their grant funds to complete assessments of selected conservation programs. The assessments are intended to give workgroup participants and the broader conservation community a common base of information about the current performance of conservation programs in order to inform discussions about how programs might be reformed during reauthorization in the 2007 farm bill.

Programs currently slated for assessments include:

- Conservation Reserve Program
- Environmental Quality Incentives Program
- Conservation Security Program
- Technical Assistance/TSP Programs

In addition, workgroup participants have suggested (1) we undertake an assessment of conservation compliance and (2) try to incorporate assessments of WRP, GRP, and WHIP into assessment of the programs listed above. American Farmland Trust has indicated they are undertaking an in-depth assessment of FRPP.

An initial meeting with NRCS staff was held to explore willingness to share program information and collaborate with program assessments. NRCS has reacted favorably to the idea of collaborative assessments and data-sharing. Another meeting to plan next steps is scheduled for October 12, 2005.